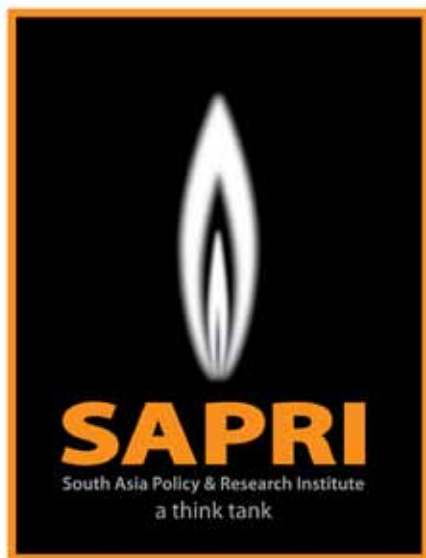


# SAPRI Bulletin

June 2012



**South Asia Policy and Research Institute**

## SAPRI's Vision is to promote dialogue among policy makers

'Be the Change' was the theme of the first seminar organized by the South Asia Policy and Research Institute, held in Colombo on 9th December 2011. The keynote speaker was the world renowned economist and Nobel Laureate Professor Muhammad Yunus. Professor Yunus spoke about his new concept which is now gathering momentum around the world viz 'Social Business'.



The well attended event at Colombo's Galle Face Hotel focused on 'The role of the corporate sector and non- governmental agencies in poverty alleviation' Ms Alka Talwar the head of Community Development of Tata Chemicals spoke on some of Tata's Corporate Social Responsibility CSR programmes.

In the lively discussions that followed, several leading Sri Lankan industrialists served as panellists. Among them were Mr.Lalith de Mel Chairman of Hemas Holdings Ltd, Mr. Merrill Fernando Chair of the MJF Group, Mr. BRL Fernando, Chairman and CEO of Chemical Industries (Colombo) Ltd, Mr. Rajan Brito Deputy Chairman and Managing Director of Aitken Spence PLC. Mr.Ranjit Page, Deputy Chairman and CEO of Cargills (Ceylon) PLC and Mr. Deshal de Mel, Financial Analyst at Hayleys PLC The Chairperson of the South Asia Policy and Research Institute, Mme Chandrika Kumaratunga in her opening remarks said "the Vision of SAPRI is to gather together thinkers from South Asia and elsewhere to study the major challenges our region faces today, make policy recommendations, promote dialogue about these among policy makers from the public and private sectors, as well as leaders of non-governmental organizations and academics" She added

"The most urgent challenge we in South Asia face today, is to eliminate poverty while undertaking equitable development that would include all sectors of society. The exclusion of some communities from an equitable share of the benefits of prosperity causes inequalities in every sphere. It has been affirmed that Poverty, Injustice and their relationship to conflict may be measured by the difference in opportunity structures for the excluded groups"

Ms Kumaratunga said the private sector must contribute to the task of poverty alleviation. The private sector she said can and should assist the State sector by addressing poverty via their CSR programmes. The seminar was chaired by senior Indian economist Dr Shankar Acharya a member of the Board of Directors of SAPRI and Honorary Professor at the ICRIER.



## **SAPRI Inaugural Conference in New Delhi on ‘Inclusive Development’**

A two day conference on the theme ‘Delivering Inclusive and Sustainable Development’ was held on the 9th and 10th of April. The event was organized by the Colombo based South Asia Policy and Research Institute, an independent, non-partisan ‘think tank’ in partnership with the Centre for Policy Research in New Delhi, and the Club de Madrid.

A galaxy of former Heads of Government and academics from the region and beyond made presentations at the symposium at New Delhi’s Taj Mahal Hotel. Among them were four -former Presidents Andrés Pastrana Arango -Colombia, President Cassam Uteem-Mauritius and Luis Alberto Lacalle – Uruguay.



The former Sri Lankan President Chandrika Kumaratunga delivered the inaugural address.

Former President Chandrika Kumaratunga, Chair of SAPRI in her address stated that although most South Asian economies have benefited from accelerated growth and development ‘hundreds of millions of our citizens have been left behind, continuing to live under conditions of extreme poverty and are even becoming poorer’.

She also stated that economic development is only one part of the solution. A holistic plan of action encompassing the socio-political aspects needs to be adopted. All communities which have been excluded must become equal partners, having equal rights in the economic, social and political spheres. She added ‘history demonstrates that economic deprivation and inequality, social differentiation and unfulfilled political aspirations invariably lead to dissent and even violent conflict’.



She stated that studies have clearly shown that when all citizens are guaranteed equal rights and their separate identities respected and given free expression, they become a productive, vibrant part of the State, celebrating the richness of its diversity, while helping to build a united, strong and stable country. She went on to say that her personal experience in governance has shown that the only magic potion capable of binding

peoples belonging to diverse communities into one united nation were Democracy and Pluralism. Many panellists presented findings from their studies citing examples of policies, programmes and interventions that had achieved equitable development as well as social and political inclusivity and thereby achieved high economic growth, political stability and peace.

President Uteem of Mauritius and President Lacalle of Uruguay gave vivid examples of how their respective countries had been transformed and their economies rejuvenated. President Pastrana of Colombia who held office till 2004 spoke of his efforts to negotiate with guerrilla groups and the delivery of services to the poor. Participants at the Conference from the region and outside agreed that equitable development and inclusive societies were the corner stones of stability and peace of nations. Various policies and measures that could be adopted to promote Shared Societies and shared development were discussed at the proceedings

SAPRI plans to carry the message of the conference to the eight countries of the region and beyond through diverse events. The conclusions of the conference will be published.

The themes covered at the conference were;

1. Recent Global Developments. impact on South Asia
2. Education and Health Services for All
3. Identity and Exclusion
4. Sustainable Development, Identity and Inclusion
5. Horizontal Inequalities and Conflict
6. The State and Inclusivity
7. Education-Key to Promote Respect for Diversity



The panellists and moderators included;

Lord Meghnad Desai – UK, Shri. Mani Shankar Aiyar –India, Prof. Pratap Bhanu Mehta – CPR Dr Montek Singh Ahluwalia-India ,Dr.Shankar Acharya- India, Mr. Jayantha Dhanapala Sri Lanka, Mr.Carlos Westendorp-Club de Madrid Dr. Kamal Hossain –Bangladesh , Prof. K C Sivaramakrishnan –CPR ,Dr.Indrajit Coomaraswamy –Sri Lanka, Prof. Madhukar Shumshere Rana – Nepal, Dr. Yaga Venugopal Reddy-India, Prof. Frances Stewart – Oxford, Prof. Bibek Debroy –India, Dr Shahid Kardar – Pakistan, Dr.Shekhar Shah-India, Ms. Priyanthi Fernando-Sri Lanka, - Dr.Rajesh Venugopal LSE - Dr Paikiasothy Saravanamuttu-Sri Lanka, Mr. Steve Killelea - Australia, Prof. Rehman Sobhan –Bangladesh, Prof. Ms. Zoya Hassan JNU India, Dr. Ram Manikkalingam- Sri Lanka, Prof. Gamini Keerawella-Sri Lanka, Dr. Danie Shapiro- Harvard and Mr. Sean Carroll USAID .



## **SAPRI's Research Programmes**

SAPRI will focus on a few major themes considered essential for South Asian Progress. They are Good Governance, Inclusive Development, Cultural Heritage, Conflict Prevention and Peace Building and Sovereign Debt Research on these themes is being carried out by internationally reputed scholars.

The outcome will be the basis for distilling key lessons and best practices which in turn will inform a high level programme of advocacy in the region and raising greater public awareness. The research papers will be published and policy recommendations disseminated through workshops and seminars.

SAPRI will undertake these programmes in partnership with leading research Institutes in the region.

# SAPRI WORK PROGRAMME

## 1. South Asia Governance Project

After several decades of poor economic performance in the post-Independence era, South Asia has experienced rapid growth over the last 20 years. This has been accompanied by impressive social gains. Despite these advances, South Asia has experienced deterioration in the quality of governance. This is reflected in outcomes such as poor quality public services; lack of access for the poor to social services and the rule of law; and high and pervasive levels of corruption with increased state capture by political vested interests. These outcomes reflect a failure to build strong systems of accountability and transparency.

The governance agenda for South Asia is enormous. SAPRI intends to be highly selective in developing its work programme for Good Governance.

There will be four major components to its work programme.

### **(i) South Asia Governance Survey :**

SAPRI propose to undertake a governance survey of the South Asia region covering initially India, Pakistan, Bangladesh, Nepal and Sri Lanka.

The principal objectives of the Survey would be:-

- to create awareness among policy makers and civil society on the state of governance in the region.
- to inform SAPRI's governance work by identifying the strengths and weaknesses, as well as the factors that drive public accountability and transparency in each target country.
- to support high level advocacy by SAPRI's Chair and other members of the Board and Advisory Committees.
- to develop capacity in national policy institutions to conduct and analyse governance related surveys and disseminate the outcomes.
- to develop a South Asia policy research community that works on the regions governance challenges.

The Survey will comprehensively cover the major areas related to : Governance such as the elected bodies – Parliament, Provincial Associates, local government bodies ; the Executive including the public service ; the Justice Sector ; the intermediation of power ; political parties ; civil society organizations that mediate public accountability and the media.

Existing Surveys (e.g. Asia Barometer and Transparency International Corruption Perception Index) deal only with a few limited areas of Governance. They do not provide in depth analysis of causal factors and institutions. Issues reported to governance to inform credible monitoring and advocacy.

### **(ii) Justice & Legal Sector Reforms :**

The existence of an independent and properly functioning Judicial Sector is most essential for Good Governance. However, judicial systems in South Asia are experiencing a steady erosion of standards, incapacity to deliver Justice to All and a constant assault on their independence by the Executive.

A set of issues common to all 5 target countries can be identified, while specific problems vary in each country:-

- Political interference by governments.
- Failure to invest sufficiently in developing a high quality judiciary and Courts systems
- Failure of the legal profession to contribute to the enforcement of standards of good conduct and to protect the client's interests.
- The police is the most corrupt branch of the public service in the region and beyond.

This has resulted in a serious deterioration of the Rule of Law. Justice is meted out in a most inequitable manner, with massive delays and resultant discouragement of efficient governance, economic development, investment and so on. The governance survey will inform the research agenda in this segment of the SAPRI Governance Project.

The SAPRI study will cover issues related to the Justice & Legal Sectors and the Police Service, in each target country in order to develop policy recommendations, as well as a programme of outreach and advocacy among policy makers, the judiciary and legal professions and civil society.

### **(iii) Political Parties and Election Finance Reforms**

Political parties have played a crucial role in the shared struggle for freedom and in the subsequent evolution of democracy in the South Asia region.

In the past several decades the party system has been characterized by intense competition often resulting in changes in government after each election and in some countries, increasing fragmentation, largely motivated by the opportunities power brings for personal enrichment rather than service to the people. This has resulted in the criminalization of politics.

The South Asian polities reflect three paradoxes: (1) while democracy has become more broad-based, the parties that have made this possible tend to be “leader-centered” and function in an increasingly autocratic manner; (2) while South Asians have a strong faith in democratic governance, their trust in political parties is low; (3) while public expectations are rising, the capacity of political parties to meet them is low.

Intra-party democracy and election finance reforms could play a major role in the institutionalization of democracy and the strengthening of governance. Intra-party democracy would also encourage outreach to the public and reduce the current insulation of the leadership from the grassroots.

Given the sensitivity of this area of work, SAPRI proposes to begin by catalyzing a dialogue among political scientists and commentators in the region with the objective of developing approaches that can gain traction. In addition, a dialogue among political parties in the region, particularly among younger leaders, would also be facilitated. The governance surveys referred to above would inform such a dialogue.



#### **(iv) Strengthening Civil Society**

NGOs emerged to serve the people when it became apparent that governments in most South Asian countries were failing to deliver services effectively. Over time, particularly in Bangladesh and India, governments began to rely increasingly on NGOs to provide key services. However, NGOs have now found that their service delivery goals are increasingly in conflict with their social development strategies.

We now see the emergence of NGOs dedicated to various aspects of good governance. This has led to South Asian civil society moving towards advocacy and using public interest litigation to fight for civil liberty, social and economic rights as well as environmental concerns. This ongoing transformation of NGOs from service provision to advocacy has become a source of controversy, in particular their claim to speak for the people. In response, elected and appointed public officials have questioned their right to do so. Accusations have been leveled regarding the accountability and transparency of NGO activities.

SAPRI's work in this area seeks to add value at two levels: (1) assist in strengthening the accountability and transparency of civil society organizations so that they are not vulnerable to the same charges that they level against the governments they monitor; (2) help improve the quality of their analysis and understanding of governance issues in order to increase their effectiveness in addressing these problems. SAPRI would seek to do this by catalyzing learning from each other both within the region and from international CSOs and professionals in this field. Civil society activists and young journalists would be exposed to the latest thinking on governance and anti-corruption issues with the assistance of the UN system and international organizations.

This study too would be informed by the results of the Governance Survey.

The study will analyze factors that influence accountability and transparency within NGO's Review existing self regulation practices in the sector and evaluate government regulations of advocacy NGO's with a view to develop a peer review mechanism for evaluating the work of NGO's.

## 2. Making Services Work for the Poor : South Asia's Unfinished Agenda

South Asia continues to suffer from poor outcomes in education, health and infrastructure. While progress has been made in terms of first generation outcomes in enrollment, literacy and child and maternal mortality, systems are currently ill-suited to tackle the second-generation challenges relating to quality, learning, skill formation and non-communicable diseases. Monitoring of provider incentives and politics become much more important in achieving the latter objectives. Services for the poor can be improved by empowering them to monitor and discipline service providers and raise their voice in policy-making.

While collective action can strengthen service delivery, it is also now increasingly apparent that political drivers of accountability are fundamental for improved outcomes. Better community compacts and client power based on improved information are undoubtedly important. However, political failures dull the edge of collective action and the impact of better information.

Different countries and sectors require different relationships to be strengthened. Hence, a constellation of solutions is necessary, each matching a particular set of political and social conditions. However, better monitoring and evaluation assists in learning what works, where and why. This means that while one size does not fit all, there is considerable scope for piloting and learning. SAPRI's work in this area would seek to differentiate itself from the activities of the many research institutes focusing on these issues in South Asia. It will focus on initiatives that improve accountability in service delivery; undertake rigorous evaluation of these initiatives (where it has not already been done); and then disseminate these ideas to both policy-makers and community organizations. The initiatives to be studied could include: citizen report cards; performance-based bonuses to service providers; community managed schools; and information campaigns. It is proposed that the initial focus should be on the education sector. A concept paper and funding proposal are being developed around these themes.

A funding proposal is being developed for this project.

### 3. Promoting Inclusive Development :-

This project flows out of a two day SAPRI International Conference (New Delhi) on the theme “Delivering Inclusive & Sustainable Development”. The Conference focused on the complex nexus between accelerated growth and harmonious societies, constructed on the principle of inclusivity. It was highlighted that marginalized communities must be brought in as full and equal partners of society and the governmental process – political power structures and economic development activities. There was a consensus that horizontal inequalities needed to be addressed if South Asia is to achieve sustainable development, political stability and peace.

The rationale for the choice of this theme was based on the premise that the absence of inclusive development has been a major cause of conflict in South Asia. This region arguably has the largest number of conflicts in the world. It is therefore, essential to examine the root causes of conflict in South Asian and formulate policies to alleviate them. The causes of discord are multidimensional and complex involving socio-cultural differences and the exclusion of certain groups from the processes of economic development and participation in government.

The proposed work programme will consist of three segments –

- Studies will be undertaken in three selected South Asian countries which have on going conflicts. The relationship between the existing conflict and inequalities/exclusion will be examined to identify the root causes.
- The findings of the studies will be published and disseminated through seminars and workshops. First in the three target countries and later in the others. These workshops will be organized by SAPRI in conjunction with its local partner organization in the that country where the workshop is held. The findings of the SAPRI studies will be deliberated upon together with related research conducted by other organizations. The objective will be to formulate practical recommendations to alleviate marginalization.
- There will be a programme of high-level advocacy of the recommendations, involving the SAPRI Chair and other, among governments and civil societies of the relevant countries with the objective of encouraging their implementation.

## 4. Sovereign Debt :

SAPRI has commissioned a paper on Sovereign Debt in South Asia from Dr. Roy Culpepper (former Head of IDRC). The rationale for the study stems from the fact that though the region's governments are aware of the problem, political and other complications tend to push them towards compounding rather than solving it. Furthermore, the current Eurozone debt crisis demonstrates the need to sensitize governments and the public to act proactively to avert major financial crises. This becomes even more important as South Asian countries graduate to lower-middle-income country status; lose access to concessional transfers; and become more exposed to the tyranny of rating agencies and international capital markets..

SAPRI intends to use Dr. Culpepper's paper to highlight the problem and how it affects overall economic development. The road map for doing this is as follows :-

- Publication of Dr. Culpepper's paper
- Regional seminar to present the findings of Dr. Culpepper's paper. The participants would include policy-makers, academics/researchers and media from selected South Asian countries (Bangladesh, India, Nepal, Pakistan and Sri Lanka).
- Follow-up studies will be undertaken in selected countries, in partnership with national research institutes, to develop country specific recommendations.
- High level advocacy will be undertaken by the SAPRI Chair and others to propagate the recommendations.
- Awareness would be raised among the public through the dissemination of the recommendations of the studies through the media, including new media, and publications.



**SAPRI Secretariat Sri Lanka**

15/2,27th Lane, off 5th Lane

Colombo 3. Sri Lanka

Telephone: +94 11 2576555/2576666

Email: [info@thesapri.org](mailto:info@thesapri.org)

Website: [www.thesapri.org](http://www.thesapri.org)

Registrar Number PV 20902